Global
Team Coaching
Institute

MODULE
TWO

The Importance of Contracting

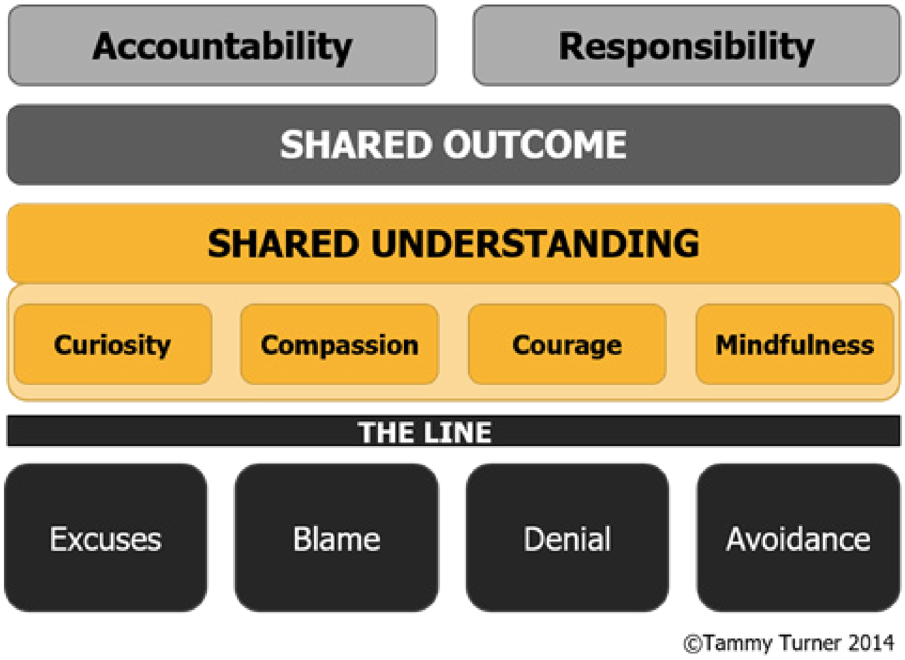
MODULE 2 - Contracting, working in pairs and preparing the team to be coached

Using the Shared Outcome Model

One of the key reasons any agreement fails is because something has not been contracted properly. Contracting is a dialogue that establishes and sustains the relationship, creates healthy boundaries and invites parties to participate in a co-created manner. Contracting is an essential skill that invites and encourages people to stay in the here-and-now and take responsibility for their own actions (Hay, 2007). Psychological contracts underpin signed paper 'Contracts' or verbal agreements.

Contracting is important at the beginning of any relationship to set out the terms of engagement - it creates the 'Contract', an agreement between parties (Turner, Lucas & Whitaker, 2018). It serves as the initial agreement that creates the way in which parties work together and divide responsibilities. As time progresses and the parties better understand the context of the agreement or Contract, they can then re-contract more suitable terms. Understanding the psychological contract underpins successful relationships, regardless of the context.

Assumptions and lack of clarity as time goes by can lead to miscommunication and misunderstanding, creating 'below the line' behaviour, as illustrated in Turner's Shared Outcome model:



Model: *Shared Outcome* (Turner, T. 2014)

As the model highlights, the purpose of the Contract is to gain a shared outcome for all parties involved and create a shared understanding of who has the Accountability and Responsibility for the shared outcome from the conversation/meeting/session/elements of an engagement. Consciously applying 'above the line' behaviours creates psychological safety - a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes (Edmondson, A.C. *Teaming: How Organisations Learn, Innovate, and Compete in the Knowledge Economy*, 2012).

When a pair, team or group is actively engaged in gaining a shared understanding, curiosity, compassion, courage and mindfulness foster psychological safety. Conversely psychological safety can be jeopardised when the 'below the line' fear-based behaviours of Blame, Denial, Excuses and/or Avoidance are present.

The psychological contract is understood and the terms and conditions in a Contract are agreed through the lens of each person's own assumptions, values, beliefs and expectations. This in turn creates the paradigm of how we behave and work together. Consequently, regardless whether consciously or unconsciously, the psychological contract is created using either 'above the line' constructive behaviours or 'below the line' fear-based behaviours in how working together evolves.

Elements of Psychological Contracts

Psychological contracts underpin all working relationships - one-to-one, group, team and organisational. They contain the conscious and unconscious agreements in how we communicate, share work, make meaning and get things done. Psychological contracts are the expectations and assumptions that one person holds of another. All parties in the shared agreement participate in governing the rules and procedures that guide these psychological and/or actual signed contracts.

Written or verbal Contracts attempt to clearly define the contractual terms. However, it is the lens in which the parties view the agreed terms of the Contract that adds real meaning to it. Each person signing up to the terms of the contract brings their own assumptions, beliefs and expectations; most of which will be unspoken and/or unknown at the time they agreed. It is this unconscious part of agreements or Contracts which creates the complexity. The agreement or Contract is better understood as time progresses and actual work is undertaken, where people become clearer about what they actually agreed to contribute to. The current circumstances and access to more information or experience creates a more defined understanding of the agreement or Contract.

As a coach or coaching leader, you already have the skills to apply to contracting. Simply asking exploratory questions without knowing the answer, sharing your thoughts and feelings transparently during a dialogue is contracting. The cornerstone of individual coaching is building rapport and trust, which is fundamental in contracting.

Despite this complexity, starting out with a well-constructed shared outcome, agreement or Contract that clearly defines roles, responsibilities, costs and limitations sets the foundation for co-working.

During contracting a pair, group or team may explore:

- an exchange - *What will we do for each other?*
- a sense of reciprocity - *What give and get elements are important to parties?*
- choice - *How do I or we freely enter this arrangement?*
- a sense of predictability - *How can we ensure everyone involved has some guarantees of what will happen?*
- a future direction - *What will we do?*
- defined responsibilities of parties concerned - *If I will be accountable for doing X will you be accountable for doing Y?* (Carroll, M. & Gilbert, M.C., 2011)

By their very nature, psychological contracts 'seal the deal' between parties and set up a cascade of behaviour in how they interact with each other.

Striking the Initial Contract or Agreement

In a group or team context, respect is a core element. Working collaboratively and having clarity about what suits can be renegotiated (re-contracted) at any time. More than likely you and your client(s) or team members will not cover all the issues that may be important at the outset of working together. As issues arise in the moment, re-contracting is a way of checking in with people about what to do with this new information and what next steps can be taken. It can be useful when a previous agreement has been broken, such as a pattern of arriving late, missing deadlines or re-negotiating responsibilities when workloads are better understood.

Introducing the Shared Outcome model strikes the initial agreement or Contract. Having an initial shared understanding ensures parties are on the same page. Once all parties have been heard and have shared their understanding of the problem, project or situation, then and only then it is possible to move to shared outcomes, responsibilities and accountability. At any contracting stage, if someone has been triggered and below the line behaviours arise, this creates the opportunity pause, to engage the person or people to voice their perspective and better understand the context. This does not mean consensus, it means a collective understanding of the opportunities, perspectives and/or potential pitfalls.

Deliberately using the Shared Outcome model for contracting, the situation becomes framed from an 'above the line' perspective, free from blame or excuses. When difficulties arise, returning to shared understanding, engaging around issues and re-contracting anything that was previously unclear can save time in the long run. Re-contracting takes courage and encourages all parties to share their experiences and collectively stay 'above the line'. With the agreed shared outcome in mind, the parties can redefine accountability, responsibility and/or ownership to suit the current circumstances. Engaging in re-contracting requires a clear perspective.

When engaging in a re-contracting dialogue, take a deep breath and speak authentically. Then try the following:

- "I'm curious about your interpretation of the shared outcome. What's missing/different/unique for you?"
- "I noticed…" (e.g. You have been late and unprepared for the last two sessions, is this time still working for you?)

- “Can you tell me more about...” (e.g. How we can work together more efficiently to stay focused?)
- “What was going on for you when...” (e.g. The conversation suddenly stalled?)
- “Can you please share your perspective....” (e.g. about the impact on this decision with your team?)
- “This works for me; how can we make this work for you too?”

As a coach you know using open-ended questions can lead to new possibilities and ways of relating in a constructive ‘above the line’ way. Knowing when and how to re-contract gives all parties the opportunity to more easily get back on track to the shared outcome, minimising risk and increasing both your success and sense of satisfaction in achieving a shared outcome. If you are finding engaging others difficult, learning the art of contracting can be done with the support of a coaching supervisor.

Using Contracting to Define Working Together

Contracting can be used at any juncture of a project, program, engagement or at meetings. Here are some areas where you could use the Shared Outcomes and apply contracting:

- to understand the objectives of the engagement, project, program or meeting
- to clarify roles, outline guidelines and define responsibilities
- to ensure measurable outcomes or milestones
- to explore and discuss assumptions and biases
- to establish opportunities to re-contract if things don’t go as expected
- to define confidentiality and other boundaries
- to prevent misunderstandings and build a sustainable relationship

Spending time in the initial stages of the relationship and re-contracting throughout highlights:

- Learning opportunities
- Blocked emotions or energy in the individual, group, team and/or system
- Unspoken assumptions

- Processing new information
- Opportunities for feedback
- 'Teaming' – all parties working toward a shared outcome

Considering the sorts of items that need to be discussed is unique for each contracting opportunity. If you are new to contracting, spending some time preparing a few conversational questions or topic areas may be useful. For example, within an individual coaching engagement, confidentiality is a common area to begin the Contract. Contexts which relate to the client and their boss, the organization, their personal life, their health, human resources, the recruitment agency, etc. illustrate striking a basic Contract.

Given each client's circumstances and the variations on the engagement, you may want to start with some basics about what they understand is meant by confidentiality, compare your understanding and share your experience about what has worked with other clients.

- What confidential issues is the individual concerned about 'getting out' or not 'getting out' to others?
- Who are people they want to know or don't want to know about what happens in the coaching? Why?
- What sort of things do they want included or excluded in the progress reports?
- What happens when they hear rumors about what's happening in the coaching? (from HR, their boss, colleagues, family members, etc.)

Other questions that might appear in contracting conversations, regardless of context:

- When, where and how often will we meet?
- Who will take notes? Will this person maintain the role? Where will the notes be stored?
- Can the session or meeting be recorded or videoed? Where will the recording be stored? Who can access it? How long will it be saved?
- What happens if someone is late? What are the procedures for cancellation and rescheduling?
- How do we measure success? How do we celebrate success?
- What happens when things go 'off track'?

- What suits individuals in when, where and how often they meet?
- What unique strengths do individuals bring?

If it is an individual coaching engagement:

- Has the client had coaching before?
- If so, what did they like and dislike about it? What did they learn?
- If not, what do they imagine coaching is about?
- How do you as a coach like to work and what do you bring to the coaching relationship?
- What tools, methodologies and training do you use that create the experience for the client?
- What reflective practice do you regularly use?
- Do you have professional supervision?
- What current learning do you bring to the relationship?

If it is a team context or coaching engagement:

- How will members collectively stay on-track?
- How will members communicate in between meetings or sessions?
- How will members inform absentees when they miss a meeting or session?
- How will members inform the coach(es) about what has happened between sessions?
- What questions are useful to generate interest and get a shared agreement?

The possibilities are endless. Remaining curious, attentively listening and actively including both the individual(s) as well as yourself (you are also part of the system!) are the key elements to ensure contracting happens and is successful.

References

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